

THE FOLLOWING DOCUMENTS
ARE ATTACHED:
(Please do not remove)

ICS 86-3379/1

ICS 86-3392

SUBJECT: 18 Sept mtg.

The Director of Central Intelligence

Washington, D.C. 20505

Intelligence Community Staff

ICS 86-3392
20 October 1986

MEMORANDUM FOR: SIG-I Committee on Requirements and Priorities

FROM:
Executive Secretary, SIG-I

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SUBJECT: Minutes of 18 September 1986 Meeting

Summary of Decisions

The Chairman, Director of Central Intelligence Casey, with the concurrence of the SIG-I members, approved A Report to the Congress on the Nation's Counterintelligence and Security Countermeasures Plans, Programs, and Capabilities, subject to minor modifications to be supplied by the members to the Community Counterintelligence and Security Countermeasures Staff.

Minutes of the Meeting

The Chairman, Director of Central Intelligence Casey, convened the meeting and recalled that, in December 1985, the Group had met to discuss the requirement, set forth in the Intelligence Authorization Act, for a counterintelligence capabilities report. The Act called for the President to submit to Congress a report on the capabilities, programs, and policies of the United States to protect against and defeat the hostile intelligence threat. The DCI had subsequently asked General Stilwell to head a SIG-I working group to prepare the report. The purpose of this meeting is to see if we have a draft report that can collectively be recommended to the President.

This report, the DCI continued, and a report by the Senate Select Committee on Intelligence, are the alternative to a proposal by Senator Byrd and others to establish a National Commission on Security and Espionage. That proposal was defeated by the slim margin of 50 to 48. Earlier this year, we reviewed and commented on the SSCI report on counterintelligence and security countermeasures. Our responses to the SSCI's recommendations were considered to meet the requirement for an interim report from the President.

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The SSCI looks on the President's report as the executive branch response to its report and expects that it will, to some degree, complement and support SSCI recommendations for improvements and changes in the CI-CM structure. Further, as the members may be aware, the SSCI intends to publish an unclassified version of its report in the near future. Therefore, the President's report is especially important and significant, and it must be completed quickly. For that reason, the DCI hoped that all members had had the opportunity to consider what is said in this report.

The DCI then offered the following observation on the President's report:

- The working group that has been supporting the drafting of this paper over these past months met last Thursday and reviewed the report word by word. The draft before the Group, consequently, should generally meet with the members' approval.
- The management section--i. e., Objective E, Part V--is probably viewed by the SSCI Staff as the most critical part of the report. This is our response to the SSCI's calling for a national-level countermeasures structure and the need to perpetuate the SIG-I concept. Our proposal is somewhat non-committal; the text as it stands does not make any Presidential promises. In the DCI's judgment, this is as it should be.
- The SSCI report calls for a national counterintelligence strategy. The DCI understands that Judge Webster, Director of the Federal Bureau of Investigation, has the Interagency Group - Counterintelligence working on that strategy and will have something for us in a month or so.
- The section on additional legislative authority was specifically called for in the Public Law. It is a bit unusual to approach legislation for the Intelligence Community in this manner. Although the section has been fully coordinated, the DCI understands that the National Security Council Staff has not decided how to handle it yet. In the DCI's judgment, the section's recommendations for legislation to curb unauthorized disclosures need emendation.
- The DCI thanked General Stilwell and his working group, supported by the Community Counterintelligence and Security Countermeasures Staff, for the report. The General worked hard work to sift through all the ideas floating around and to select those worthwhile. The resulting document will have a significant impact, and the General deserves our thorough appreciation for what he has accomplished.

-2-

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The DCI thereupon invited Judge Webster to lead off the discussion.

The Judge responded that he agrees that the Stilwell working group did a splendid job in identifying and focusing on the central issues in the counterintelligence and security countermeasures arena. He believes, nonetheless, that the product that emerged after the working group's report was scrutinized by the SIG-I's three interagency groups and worked on further by the CCISCMS is even better. He has polled all the members of the IG-CI, and they are in substantive agreement with it (the National Security Agency would have preferred that one section be stronger). Some editing remains to be done, but it can be accomplished quickly.

The report before the Group, the Judge continued, is faithful to the requirements set forth by Congress. It provides an accurate statement of capabilities, and it segregates needed improvements between those that can be accomplished without new legislation and those that require it. The IG-CI has a first draft of the counterintelligence strategy, which it is interweaving with the Stilwell working group's interim response and the SSCI's unclassified report. A Presidential message on these matters has been delayed, but he is confident that, overall, we are on target. The product before the Group is the result of an extraordinary effort, and he believes the President will feel comfortable signing it. Concluding, the Judge noted that, mindful of the DCI's concern over the report's length, he has had a synopsis prepared, which he commended to the DCI's attention.

Mr. Latham next took the floor and stated that, from his perspective as chairman of the Interagency Group - Countermeasures (Technical), the report before the Group is responsive to Congress' charge. He has no changes to recommend, though he does believe the report needs some cleaning up. He is pleased, in his capacity as Chairman of the National Telecommunications and Information Systems Security Committee (NTISSC), that his Committee can do what has been recommended. And he sees no overlap or duplication between the IG-CM(T) and the NTISSC.

Continuing, Mr. Latham referred the Group members to the report's urging of an aggressive research and development effort in the technical countermeasures area. The problem here is that he is having great difficulty identifying resources that might be devoted to this effort; there are no funds of any size in the Defense budget or the National Foreign Intelligence Program for this purpose. We have a serious resource shortfall; it is time we address this issue and get our resource requests in.

-3-

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Mr. Alderman, Chairman of the IG-CM(Policy), endorsed both the report and the preceding comments and added that the report responds to the needs of Congress, while not impinging on the prerogatives of executive department managers. The tasks its put forth are both needed and practical. The management section goes as far as it should, leaving to those who must implement it a requisite degree of flexibility. The extant general agreement to it can only be adjudged encouraging.

Deputy Secretary of Defense Taft judged the report satisfactory and agreed that it should be sent forward. Ms. Lawton, representing the Justice Department, reported that her organization is happy with the report, though it has some nitpicks it will provide to the CCISCMS. [redacted] representing NSA, termed the report fine, and Mr. Lamb, representing the Department of State, reported that his organization supports it.

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Mr. Latham, returning to the matter of legislative initiatives, asked if the Group really wishes the President to propose them through the vehicle of this report. Is this not a matter that requires further consideration? The DCI agreed that the procedure is unusual and is worth thinking more about. But, whatever is decided, he insists that legislation intended to prevent unauthorized disclosures must not, as the report currently states, be aimed solely at individuals who make unauthorized disclosures. Such a position would undercut the President's position; the Attorney General agrees that legislation to staunch willful disclosures must be broader in its application.

Mr. Major, representing the NSC Staff, agreed that legislation against unauthorized disclosures should not be so limited. He pledged that the NSC Staff will do everything possible to bring the SIG-I report before the President expeditiously. And he judged that the timing could not be more propitious, in that the hostile intelligence threat has for some time been at the top of the President's agenda.

Mr. Donahue, representing the Office of Management and Budget, stated that his organization considers the report, on which it worked closely with the authors, generally excellent--though his organization has some editorial suggestions. That said, the report must not impinge of the President's budgetary prerogatives by presuming to commit resources.

Ms. Sclafani, representing the Office of Personnel Management, stated that she could only reinforce the report's statement that we have benefited from Congressional authorization to obtain access to criminal history record information as part of background investigations. This was recently brought home by the case of an employee who, having once been convicted of manufacturing LSD in Massachusetts, was discovered to have been producing sentanyl at a Naval laboratory; he should have been detected by the Naval Investigative Service during his initial investigation for employment.

-4-

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Mr. Donnelly, representing CIA, stated that his organization fully supports the report.

Director of the CCISCMS, requested that the Group members provide their amendments to him as soon as possible, and he would attempt to have the final report composed over the weekend. He asked Mr. Major if the NSC Staff wishes to receive the report in the form of a final draft or as a printed final product. Mr. Major responded that he wishes a final printed product.

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The discussion having concluded, and there being no further business before the Board, Chairman Casey adjourned the meeting.



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SUBJECT: Minutes - 18 September 1986 Meeting

Distribution: (ICS 86-3392)

- 1 - Assistant to the President for
National Security Affairs
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- 6 - Chairman, IG/CM(P)
- 7 - Chairman, IG/CM(T)
- 8 - Director, Federal Bureau of Investigation
- 9 - Director, National Security Agency
- 10 - Deputy Director, Intelligence Community Staff
- 11 - Executive Director, Central Intelligence Agency
- 12 - Deputy Assistant Secretary for Intelligence,
Department of Energy
- 13 - General Counsel, Department of Commerce
- 14 - Director, Office of Personnel Management
- 15 - Director, Information Security Oversight Office,
GSA
- 16 - Director, Office of Management and Budget

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ICS 86-3379/1
14 October 1986

MEMORANDUM FOR: Director of Central Intelligence
VIA: Deputy Director of Central Intelligence
FROM: Executive Secretary, SIG-I
SUBJECT: Draft Minutes - 18 September 1986 Meeting

W. J. Casey

1. Action Requested: That you approve the attached draft minutes. (U)
2. Background: These minutes have been coordinated by the principals in the SIG(I) meeting.



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Attachment:
Draft Minutes

APPROVED: /s/ William J. Casey
Director of Central Intelligence

DISAPPROVED: Director of Central Intelligence

DATE: 17 OCT 1986



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B-602-1R

SUBJECT: Draft Minutes - 18 September 1985 Meeting

Distribution: (ICS 86-3379/1)

- 1 - DCI
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ES/SIG-I (14 Oct 86)

STAT

Minutes of the Senior Interagency Group - Intelligence Meeting on

18 September 1986 at 1600 Hours

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